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## 'Reduced Emissions From Deforestation' (REDD): Can Carbon Trading Save Our Ecosystems?

At the Climate Change Convention's COP13 in Bali this year the working group on reducing tropical deforestation is due to report back. It is expected from discussions conducted so far that proposals based on Costa Rica's Payments for Environmental Services (services contributed by forests such as carbon sequestration, sustaining biodiversity and feeding the rainfall cycle) will be advocated in a new policy proposal known informally as 'avoided deforestation'. 'Avoided deforestation' will be proposed under the title of Reduced Emissions from Deforestation in Developing Countries or REDD. The 'reduction' figure has not been decided but a formula described as the 50-50-50 option; reducing deforestation rates by 50% by 2050 and then continuing deforestation at that rate until 2100, ultimately it is claimed saving 50 billion tonnes of carbon emissions (advocated by Dr Peter Canadell of CSIRO Marine and Atmospheric Research and the Global Carbon Project) appears to be gaining support.

One factor in the choice of a lower than 100% figure appears to be the size of the compensation payments; for example the 2006 Stern Review cited payments of \$5 to \$10 billion per annum for a 70% reduction in deforestation. Other factors include the vested interests of corporations and governments supporting 'avoided deforestation' who are simultaneously backing the ongoing use of old growth forests for forest products and monoculture plantations including the production of biofuel crops. 'Avoided deforestation' of course legitimises such destruction for all forests not covered by payments.

The World Bank is spear-heading the set-up of a \$250 million 'avoided deforestation' pilot project to pay governments for not turning parts of their forests into plantations. This is also part of a much bigger plan for a mega-fund called the Global Forest Alliance, a partnership between the World Bank, logging and plantation companies, science institutes, business donors and large conservation NGO's such as WWF, Nature Conservancy Council and Conservation International. WWF are already in negotiation with the Indonesian government to use similar funding to protect 1 million hectares of classified 'conservation forest' in West Papua as the remaining 9 million hectares of conservation forest by default become sanctioned for deforestation.

From a systems perspective such proposals deal with the surface or symptomatic problem – uncontrolled deforestation - without dealing with the fundamental problem that the biosphere is in a state of critical carbon sink deficit (we emit 50% more emissions than are absorbed by carbon sinks) and some ecosystems are on the verge of collapse.

The following 7 arguments summarise how such non-systemic thinking permeates the entire debate and risks making ecosystem destruction and climate change rapidly worse.

1. The Amazon, now in its third year of drought may well be on the verge of large-scale ecosystem collapse. This would trigger emissions of up to 120 billion tonnes of carbon along with abrupt and catastrophic climate change. Anything short of a complete halt to deforestation in the Amazon increases the likelihood of this outcome. This makes a mockery of the 50 billion tonnes of avoided

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carbon emissions projected under the 50-50-50 proposal discussed earlier.

2. A systemic view of the 'compensation principle' would include equity considerations. 35 to 65 million people stand to be displaced from their forest homes as a result of biodiesel plantations in Indonesia alone, yet 'avoided deforestation' would seek to compensate corporations and governments instead for their lost revenue!
3. Stern estimates that it would cost \$12-93 million per annum to administer, monitor and enforce a ban on forest destruction. This is less than one hundredth of Stern's estimated of \$5 to \$10 billion p.a. costs for protecting just 70% of global forests. Such large payments could only be maintained in a strong economic environment making such a protocol vulnerable to a global recession or inflationary pressures both of which are likely and either of which could make REDD impossible to sustain. The implications of dwindling 'avoided deforestation' payments are obvious. So far there isn't a single example of successful 'payments for environmental services' scheme that is based solely on carbon trading or solely on market-based approaches. Schemes lauded as successful include at the most 10% carbon finance.
4. The REDD proposals are inherently incompatible with a maximum global emissions quota for carbon. Without a scientifically predetermined maximum or 'cap' on emissions, reductions are ad hoc and meaningless from a point of view of stabilising climate.
5. Assigning a monetary value to forests and carbon trading requires precise emission figures and carbon inventories. Assessments can have a 10-fold variability making them unreliable and open to abuse.
6. Setting a target for avoided deforestation is likely to thwart essential alarm calls from indigenous peoples, conservation organisations and scientists for greater forest protection as unfunded forests become legitimately open to land-use change.
7. Although undecided, if 'avoided deforestation' excludes 'selective' industrial logging it will again accelerate degradation. Selective logging can reduce the carbon held in forests by up to 70% and leads to major biodiversity losses, dehydration and susceptibility to fire.

In contrast to all the above, a systemic approach considers root causes and attempts to offer fundamental solutions. Guaranteeing the land rights of indigenous communities and supporting community ownership and forest management for example have each been shown to successfully halt deforestation. The role played by indigenous peoples and particularly women who have a long history in safeguarding forests acts as an amplifying loop, one which could be extended to include the restoration of degraded and deforested lands.

A ban on deforestation is also a systemic approach because it recognises that our reduced carbon sink capacity is already dangerously in overshoot i.e. is inadequate to maintain the majority of life on earth. When the Paraguayan government instituted a moratorium over the eastern half of the country, deforestation was cut by 85%. Successful moratoriums on deforestation have also been conducted by Costa Rica, China and Thailand.

Supporting land rights, funding restoration, introducing education and awareness raising initiatives and implementing penalties for violating a ban would both weaken the hold of corporations and skewed government policy whilst simultaneously generating the virtuous cycles necessary to restore ecosystems and stabilise climate.

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Synthesis by Almuth Ernsting <almuthbernstinguk[at]yahoo.co.uk> and Deepak Rughani, <dee.rughani[at]btinternet.com>, Full report on 'Reduced Emissions From Deforestation': Can Carbon Trading Save Our Ecosystems? by same authors, available at: [http://www.biofuelwatch.org.uk/docs/Avoided\\_Deforestation\\_Full.pdf](http://www.biofuelwatch.org.uk/docs/Avoided_Deforestation_Full.pdf), <info[at]biofuelwatch.org.uk>